

Exhibit 26-1
Alternative Monitoring – Project-Based
Rental Rehabilitation (Multi-Unit)

6509.2 REV-5

Guide for Review of Multi-Unit Rental Housing Rehabilitation Project			
Name of Program Participant:			
Staff Consulted:			
Project Name/Location:		Program Funding Sources:	
Name(s) of Reviewer(s):		Date:	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: This Exhibit is designed to monitor a rental housing development project involving the rehabilitation of an existing structure, containing a total of 5 or more units, and which is funded by the Community Development Block Grant (CDBG) Entitlement Program and the Supportive Housing Program (SHP). This Exhibit covers selected, specific review and compliance aspects of these programs. It is divided into nine sections: Activity Data; Consolidated Plan; Activity Eligibility; Housing Quality; Beneficiaries; Review of Occupied Units; Review Prior to Occupancy; CDBG Primary Objective; and Applicable Requirements.

One Exhibit is to be completed for each project monitored. This Exhibit may be used for activities where other CPD or HUD funds are used to supplement these three programs, although the Exhibit will not address compliance with requirements of these other programs. Multi-unit rental rehabilitation projects funded solely from other CPD Programs are to be monitored using the appropriate Exhibits elsewhere in this Handbook. Note: Reviewers must use Exhibit 7-6, "Guide for Review of HOME Rental Projects," to monitor rental projects funded with HOME funds, irrespective of the use of other CPD program funds. This Exhibit may be used in conjunction with Exhibit 7-6 to review compliance of projects that include both HOME and other CPD program funds.

Questions:

A. ACTIVITY DATA

1.

Provide the following activity information (insert "NA" if a category is not applicable):	
Activity Number (HUD or Program Participant Identifier):	
Developer:	
Owner:	
Management Entity:	
Total Number of Units:	
Other Information (if applicable):	

Exhibit 26-1
Alternative Monitoring Format – Project-Based
Rental Rehabilitation (Multi-Unit)

B. CONSOLIDATED PLAN

2.

Is the activity consistent with an identified Need or Strategy in the Consolidated Plan applicable to this activity? (Include page number and date of Consolidated Plan in response below.) [24 CFR 91.225(a)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>		

C. ACTIVITY ELIGIBILITY

3.

Indicate below the amount and use of funds for each CPD Program financing this activity as well as the documentation source.			
PROGRAM NAME	AMOUNT	USE	DOCUMENTATION SOURCE (from Program Participant)
CDBG			
HOME			
SHP			
Other CPD/ HUD Program			

For CDBG Program Only

4.

[OS] Does the program participant's file contain eligibility information and a description that are consistent with the reviewer's observation of the activity on site? [24 CFR 570.506(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

Exhibit 26-1
Alternative Monitoring – Project-Based
Rental Rehabilitation (Multi-Unit)

6509.2 REV-5

For SHP Program Only

5.

[OS] Does the program participant's file contain eligibility information and an activity description that are consistent with on-site observations? [24 CFR 583.105, 24 CFR 583.110]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: 	

D. HOUSING QUALITY

For SHP Program Only

6.

Upon completion of the rehabilitation, is there documentation that the property meets state and local housing codes and habitability standards? [24 CFR 583.300(a) and (b)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: 	

7.

[OS] Where SHP funds are used, does an on-site inspection indicate that the property meets property standards, state and local housing codes, written rehabilitation standards, and habitability standards? [24 CFR 583.300(a) and (b)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: 	

Exhibit 26-1
Alternative Monitoring Format – Project-Based
Rental Rehabilitation (Multi-Unit)

E. BENEFICIARIES**For CDBG Only**

8.

If CDBG funds are used for this activity, has the program participant classified it as meeting the CDBG national objective of Low/Moderate Income Housing (LMH)? (If the answer is “no,” refer to the applicable Exhibits in Chapter 3 for to conduct a national objective review of this activity and skip to Section H, question 31, of this Exhibit. [24 CFR 570.208(a)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>			

9.

If CDBG funds assisted this activity, what CDBG definition of income was used to qualify beneficiaries: Section 8, IRS 1040, or Census Long Form?
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>

10.

Are one or more units occupied by the intended beneficiaries at the time of this review? (If the answer is “no,” skip to Section H, question 21.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>		

Exhibit 26-1
Alternative Monitoring – Project-Based
Rental Rehabilitation (Multi-Unit)

6509.2 REV-5

F. REVIEW OF OCCUPIED UNITS

Instructions: To complete this section of the Exhibit, use the income limits in effect at the time each tenant's income was certified or recertified.

For CDBG Only

11. Sample Selection

Select a sample of units claimed as being initially occupied by low- and moderate-income households and complete the table below. (If additional rows are needed, please attach an additional sheet.)			
UNIT #	FAMILY SIZE	80% INCOME LIMIT	FAMILY INCOME

12.

For the sample of units in question 11 above, provide the range of dates of initial occupancy.
Describe Basis for Conclusion: From: _____ To: _____

Exhibit 26-1
Alternative Monitoring Format – Project-Based
Rental Rehabilitation (Multi-Unit)

13.

Does a file review of the sample of units in question 11 above indicate that incomes were properly documented and within the applicable limits? [24 CFR 570.208(a)(3), 24 CFR 570.506 (b)(4)(iii)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>	

14.

Has the CDBG program participant adopted and made public its affordable rent policy? [24 CFR 570.208(a)(3)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>	

15.

For the selected sample of units, provide rent information in the table below. (If additional rows are needed, please attach an additional sheet.)		
UNIT #	RENT STANDARD	ACTUAL RENT

For the sample of units reviewed, did the rents that were charged meet the program participant's own affordable rent policy? [24 CFR 570.208(a)(3)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

a.	List below the total number of units and the total number of units claimed to be occupied by LMI households.
Describe Basis for Conclusion:	
Total Number of Units: _____	
Total Occupied by LMI Households: _____	

09/2005

Exhibit 26-1
Alternative Monitoring Format – Project-Based
Rental Rehabilitation (Multi-Unit)

For the SHP Only

18.

Does a file review of a selected sample of SHP units provide evidence that they are occupied by individuals or families that were formerly homeless? [24 CFR 583.5]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

19.

Does a review of a sample of SHP units document that the rents meet the “reasonable rent” requirement? (See the SHP Desk Guide, Section B.) [24 CFR 583.115(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

20.

Does the sample of SHP units reviewed show that tenant rents did not exceed the maximum allowed? (See the SHP Desk Guide, Section B.) [24 CFR 583.315]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

Exhibit 26-1
Alternative Monitoring – Project-Based
Rental Rehabilitation (Multi-Unit)

6509.2 REV-5

G. REVIEW PRIOR TO OCCUPANCY

21.

For each of the following programs funding this activity, does the project owner and management entity have in place a tenant selection plan and rent structure to ensure occupancy by eligible tenants, and compliance with applicable requirements:			
a. CDBG? [24 CFR 570.208(a)(3)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

b. SHP? [24 CFR 583.5 (Definitions) and the McKinney-Vento Act, Section 103]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

H. CDBG PRIMARY OBJECTIVE

For CDBG Program Only

22.

a. For the time period under review, provide the activity expenditures to be counted towards the overall low- and moderate-income benefit requirement:	
<u>Program Year</u>	<u>Funds Expended (\$)</u>
[24 CFR 570.200(a)(3)]	

Exhibit 26-1
Alternative Monitoring Format – Project-Based
Rental Rehabilitation (Multi-Unit)

b. Of the above amounts expended, and over the period of time specified in the certification, not to exceed three years, what amounts count towards benefit to: Low- and moderate-income persons: \$ _____ <input type="checkbox"/> Program Year(s): _____ <input type="checkbox"/> Amounts for other non-low/moderate income national objective(s): \$ _____ [24 CFR 570.200(a)(3)(iv)]
Describe Basis for Conclusion:

I. APPLICABLE REQUIREMENTS

Instructions: Select a sample of files covering all of the programs from which funds are used for this activity in completing the questions in this Section. Where the controlling program regulations differ for a particular uniform requirement, the common rule citation is included within the body of the question and the applicable program-specific citations are provided next to the heading.

Cost Allowability [CDBG: 24 CFR 570.502(a); SHP: 24 CFR 583.330(c).]*

23.

Are costs charged to the grant program(s) after subtraction of applicable credits? [OMB Circular A-87, Attachment A, C4]*	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

24.

Did the sample of program costs reviewed show documentation sufficient to support the expenditures? [OMB Circular A-87, Attachment A, C.1.j]*	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

Exhibit 26-1
Alternative Monitoring – Project-Based
Rental Rehabilitation (Multi-Unit)

6509.2 REV-5

Financial Management

25.

For the sample of transactions reviewed, do the accounting records accurately show the source and application of funds? [24 CFR 85.20]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

26.

Are the expenditures reviewed consistent with the contract(s) for the work? [CDBG: 24 CFR 570.502(a)(4); SHP: 24 CFR 583.330(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

27.

Are the funds authorized for the selected transactions supported by records showing the unexpended balances available? [CDBG: 24 CFR 570.502(a)(4); SHP: 24 CFR 583.330(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

Are the funds authorized for the selected transactions reviewed consistent with the amounts entered on the drawdown requests in IDIS? [CDBG: 24 CFR 570.502(a)(4); SHP: 24 CFR 583.330(c)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>		

Is fund disbursement timely and consistent with amounts authorized for the selected transactions?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

Are the activity data in IDIS, including expenditures, accomplishments, beneficiaries, are consistent with the program participant's records? [24 CFR 91.520]	<input type="checkbox"/>	<input type="checkbox"/>
Describe Basis for Conclusion:	Yes	No

31.

<p>Did the program participant complete the environmental review prior to final commitment of funds (e.g. contract award) for this activity? (Record the effective date of Release of Funds by HUD OR the date of local determination that activity was “Categorically Excluded - Exempt” AND Date of contract award.)</p> <p>[24 CFR 58.22]</p>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> Yes No </div>
<p>Describe Basis for Conclusion:</p>	